

**GRAPHIC COMMUNICATIONS GROUP
LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 31ST DECEMBER, 2020**

Audit Service, Ghana

P. O Box M96

Ministries

Accra



*Transparency, probity
and accountability*

GRAPHIC COMMUNICATIONS GROUP LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020
CORPORATE INFORMATION

BOARD OF DIRECTORS

Prof. Kwame Karikari- Chairman
Dr. Kwame Nyamekye
Daniel Addai
Paul Osei Barima
Dr. Rita L Reindorf
Dr. Valentin Kwasi Mensah
Ivy Austin
Alhaji Mohammed Y Twumasi
Ato Afful (MD)

COMPANY SECRETARY

Mr Stephen Sah

EXECUTIVE MANAGEMENT

Ato Afful (MD)
Peggy Addo
Erasmus Akuffo-Badoo
Charles Ntiamoah Amoako
Kwabena Baah Adade
Franklin Sowah
Mavis Kitcher
Stephen Sah

REGISTERED OFFICE

No. 3 Graphic Road
P.O Box 742
Accra

AUDITORS

Audit Service Ghana
P.O.Box M96
Ministries - Accra

**REGIONAL AND DISTRICT
OFFICES**

Kumasi, Cape Coast, Sunyani, Ho, Takoradi
Koforoidua, Bolgatanga, Wa, Tamale, Obuasi
Tema and Akim Oda

BANKERS

GCB Bank Limited
Ecobank Ghana Limited
Guaranty Trust Bank Limited
Stanbic Bank Limited
Consolidated Bank Ghana Limited

**GRAPHIC COMMUNICATIONS GROUP LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF GRAPHIC COMMUNICATIONS GROUP LIMITED**

In accordance with the Companies Act, 2019 (Act 992) the Directors have the pleasure in presenting their report and the financial statements of the Group for the year ended 31 December 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation and fair presentation of the Financial Statements, comprising the Statements of Financial Position as at 31 December 2020, the Statement of Profit or Loss and Other Comprehensive Income, the Statements of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Report Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992).

The Director's responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

FINANCIAL STATEMENTS AND DIVIDEND

The results for the year are as set out in the attached financial statements.

The Directors do not recommend the payment of a dividend for the year under review (2017 GH¢Nil)

The Directors consider the state of the company's affairs to be satisfactory.

**GRAPHIC COMMUNICATIONS GROUP LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF GRAPHIC COMMUNICATIONS GROUP LIMITED**

NATURE OF BUSINESS

The principal activities of Graphic Communications Group Limited is to print and publish newspapers and provide advertisement services, whereas the subsidiary, G-Pak Limited, is to provide pre-press, press and post press services. There was no change in the nature of the business during the year.

CHANGE IN DIRECTORS

There was no change in directors during the year.

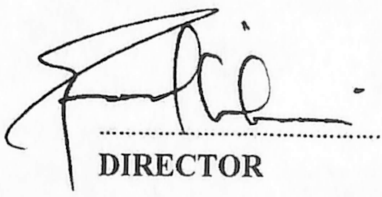
APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements of the company as indicated above were approved by the Board of Directors on and are signed on its behalf by:



.....
DIRECTOR

Date 28 June 2021



.....
DIRECTOR

Date 28 June, 2021



Graphic Communications Group Limited

Independent Auditor's Report to the Members of the Graphic Communications Group Limited

Report on the Audit of Graphic Communications Group Limited's Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Graphic Communications Group Limited and its Subsidiary set out on pages 9 to 23. These Financial Statements comprise the Statement of Financial Position as at 31st December, 2020 the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other disclosures.

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position of the Company as at 31st December, 2020 and the financial performance and Cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act 2019, (Act 992).

Basis for Opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the *Graphic Communication Group Limited* in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, which we obtained prior to the date of this auditor's report. The other information does not include the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form

of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work we have performed on other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Directors Responsibilities for the Financial Statements

The Directors are responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) in a manner required by the Companies Act 2019 (Act 992) and for such internal control as the Directors determine is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement whether due to fraud or error. In preparing the Consolidated Financial Statements, the Directors are responsible for assessing the company's ability to continue as a going concern disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the company's Financial Reporting.

Auditor's Responsibility for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Financial Reporting Standards (IFRS), which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Financial Reporting Standard (IFRS) which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, we exercised professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the *Company's* internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the *Company's* ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the *Company* to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

including any significant deficiencies in internal controls that we identify during our audit.

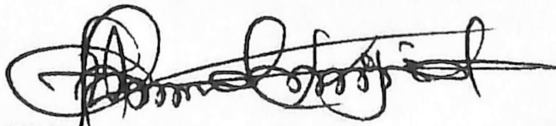
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were most significant in the audit of the Company's Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulations preclude public disclosures about the matter or when in extreme circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit consider and report on the following matters. We confirm that;

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. in our opinion proper books of account have been kept by the Company and its Subsidiaries, so far as appears from our examination of those books; and
- iii. the Company's balance sheet (included in the Statement of Financial Position) and Profit and loss account (included in the Statement of Comprehensive Income) are in agreement with the books of account.



JOHN GODFRED KOJO ADDISON
ASST. AUDITOR-GENERAL/CAD
for: **AG. AUDITOR-GENERAL**

30 June, 2021

GRAPHIC COMMUNICATIONS GROUP LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

Assets	Notes	Group		Company	
		2020 GHC	2019 GHC	2020 GHC	2019 GHC
Non-current assets					
Property, Plant and Equipment	9	16,322,793	19,244,281	12,751,571	15,042,382
Investment property	10	298,007	316,454	298,007	316,454
Intangible assets		4,001	6,401	-	-
Investment in subsidiary		-	-	3,867,148	3,567,148
Equity available for sale investment	8	1,163,636	1,483,636	1,163,636	1,483,636
Deferred tax asset		-	-	-	-
Total non-current assets		17,788,437	21,050,772	18,080,362	20,409,620
Current assets					
Inventories	11	4,695,184	3,506,464	1,299,675	866,544
Held-to-maturity investment		185,011	428,191	-	-
Trade and other receivables	13	33,784,065	33,764,881	27,000,010	28,723,022
Cash and cash equivalent	12	2,789,982	2,614,584	2,664,030	2,460,498
Current tax asset		1,863,286	1,085,164	1,863,286	1,085,164
Total current assets		43,317,527	41,399,283	32,827,000	33,135,227
Total assets		61,105,964	62,450,055	50,907,362	53,544,848
Equity and Liabilities					
		Group		Company	
		2020 GHC	2019 GHC	2020 GHC	2019 GHC
Capital and reserves					
Stated Capital	15	2,500,000	2,500,000	2,500,000	2,500,000
Statutory reserve	16	4,599,836	4,599,836	4,247,262	4,247,262
Revaluation Reserve	17	1,099,091	1,419,091	1,099,091	1,419,091
Capital Surplus	18	1,300,578	1,437,736	1,300,578	1,437,736
Income Surplus		27,332,328	30,716,393	23,779,779	27,453,905
Total equity		36,831,833	40,673,055	32,926,710	37,057,994
Non-current liabilities					
Borrowings	19	837,130	1,252,274	837,130	1,252,274
Deferred tax liabilities		2,040,071	1,981,248	1,416,881	1,416,881
Total non-current liabilities		2,877,200	3,233,522	2,254,011	2,669,155
Current liabilities					
Bank overdraft		4,857,775	4,566,211	4,857,775	4,546,667
Trade and other payables	14	16,152,350	13,555,496	10,868,867	9,271,033
Current tax liabilities	7	386,806	421,770	-	-
Total current liabilities		21,396,931	18,543,478	15,726,642	13,817,699
Total liabilities		24,274,131	21,776,999	17,980,652	16,486,854
Total equity and liabilities		61,105,964	62,450,055	50,907,362	53,544,848

DIRECTOR

Date 28 June 2021

DIRECTOR

Date 28 June, 2021

GRAPHIC COMMUNICATIONS GROUP LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	Group		Company	
		2020 GHC	2019 GHC	2020 GHC	2019 GHC
Revenue	1	55,945,161	68,302,497	45,550,749	56,406,973
Cost of sales	2	<u>(27,973,404)</u>	<u>(34,776,402)</u>	<u>(20,403,198)</u>	<u>(26,187,650)</u>
Gross profit		27,971,757	33,526,095	25,147,551	30,219,323
Other income	3	1,477,228	3,036,328	1,439,631	2,884,964
Selling and distribution expenses	4	(7,671,640)	(7,836,160)	(7,671,640)	(7,836,160)
Administration expenses	5	<u>(22,411,110)</u>	<u>(24,504,949)</u>	<u>(19,862,469)</u>	<u>(21,876,431)</u>
Operating profit		(633,765)	4,221,315	(946,928)	3,391,697
Finance costs	6	(1,122,278)	(1,441,388)	(1,117,278)	(1,384,197)
Profit before tax		(1,756,042)	2,779,927	(2,064,205)	2,007,500
Income tax expense	7	<u>(184,836)</u>	<u>(1,372,133)</u>	-	<u>(791,324)</u>
Profit for the year		(1,940,878)	1,407,795	(2,064,205)	1,216,176
Transfer to Statutory Reserve		-	140,779	-	121,618
		(1,940,878)	1,267,015	(2,064,205)	1,094,558
Other comprehensive income for the year	8	<u>(320,000)</u>	<u>218,182</u>	<u>(320,000)</u>	<u>218,182</u>
Total comprehensive income		<u>(2,260,878)</u>	<u>1,485,197</u>	<u>(2,384,205)</u>	<u>1,312,740</u>

Profit attributable to:

Owners of the Company
Non-controlling Interests

Total comprehensive income attributable to:

Owners of the Company
Non-controlling Interests

GRAPHIC COMMUNICATIONS GROUP LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Group		Company	
		2020 GHC	2019 GHC	2020 GHC	2019 GHC
Operating activities					
Profit before tax		(1,756,042)	2,779,927	(2,064,205)	2,007,500
Adjustments for non-cash income and expenses:					
Depreciation of property, plant and equipment		4,052,462	3,537,028	3,233,161	3,035,167
Dividend received		(53,527)	(80,291)	(53,527)	(80,291)
Interest income		(44,789)	(83,159)	(7,192)	(83,159)
Interest expense		1,122,278	1,441,388	1,117,278	1,384,197
Cash flow from operating activities		3,320,381	7,594,893	2,225,515	6,263,413
Change in:					
Inventory		1,589,210	929,783	1,518,590	1,107,129
Trade and other receivables		(19,184)	(835,879)	1,723,012	(14,271)
Trade and other payables		3,249,801	760,697	2,750,781	1,021,428
Cash generated from operations		8,140,208	8,449,493	8,217,898	8,377,700
Income taxes paid		(778,122)	(250,000)	(778,122)	(250,000)
Interest expense		(1,122,278)	(1,441,388)	(1,117,278)	(1,384,197)
		-	-	-	-
Net cash flows from operations		6,239,808	6,758,105	6,322,498	6,743,504
Cash flows from investing activities					
Purchases of equipment		(1,234,675)	(3,804,759)	(1,046,051)	(1,960,974)
Decrease in held to maturity investments		243,180	717,958	-	-
Dividend income		53,527	80,291	53,527	80,291
Interest income		7,192	83,159	7,192	83,159
Proceeds from disposal		139,285	346,860	139,285	346,860
Net cash used in investing activities		(791,491)	(2,576,491)	(846,047)	(1,450,664)
Cash flows from financing activities					
Borrowings		(415,144)	(670,583)	(415,144)	(670,583)
Bank overdraft		(4,857,775)	(4,566,211)	(4,857,775)	(4,546,667)
Net cash used in financing activities		(5,272,919)	(5,236,794)	(5,272,919)	(5,217,249)
Net decrease/(increase) in cash and cash equivalents		175,398	(1,055,179)	203,532	75,590
Balance at 1 January		2,614,584	3,669,763	2,460,498	2,384,908
Cash and cash equivalents at end of year		2,789,982	2,614,584	2,664,030	2,460,498

GRAPHIC COMMUNICATIONS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER 2020

1. REVENUE

(a) Net Revenue

	2020		2019	
	Group		Company	
	GHS	GHS	GHS	GHS
Calender sales	5,737,689	307,183	-	-
Label Sales	2,346,231	1,644,482	-	-
FHI Sales	-	1,548,336	-	-
Magazine Sales	-	13,956	-	-
Newspaper sales	-	72,261	-	-
Other Sales	-	2,145,117	-	-
Poster Sales	-	368,371	-	-
Printing of Commercial Bks	2,310,493	5,605,890	-	-
Skillet Sales	-	189,930	-	-
Daily Graphic Sales	14,897,840	17,040,250	14,897,840	17,040,250
The Mirror Sales	984,414	1,257,864	984,414	1,257,864
Graphic Sports Sales	129,258	213,673	129,258	213,673
Graphic Showbiz Sales	34,149	176,594	34,149	176,594
Junior Graphic Sales	452,312	1,586,860	452,312	1,586,860
Advertising Sales	31,134,978	39,843,456	31,134,978	39,843,456
Graphic Business Sales	113,249	482,870	113,249	482,870
Sales Returns	(2,195,451)	(4,194,593)	(2,195,451)	(4,194,593)
	<u>55,945,162</u>	<u>68,302,497</u>	<u>45,550,749</u>	<u>56,406,973</u>

(b) Sales Returns

	2020		2019	
	Group		Company	
Daily Graphic Sales	1,571,206	2,663,121	1,571,206	2,663,121
The Mirror Sales	226,525	361,668	226,525	361,668
Graphic Sports Sales	24,393	81,989	24,393	81,989
Graphic Showbiz Sales	18,231	67,773	18,231	67,773
Junior Graphic Sales	57,631	236,746	57,631	236,746
Advertising Sales	287,079	742,516	287,079	742,516
Graphic Business Sales	10,385	40,779	10,385	40,779
	<u>2,195,451</u>	<u>4,194,593</u>	<u>2,195,451</u>	<u>4,194,593</u>

2. COST OF SALES

	Group		Company	
	2020	2019	2020	2019
Opening Stock of Materials	1,894,515	1,054,497	-	-
Purchases	10,778,361	13,845,981	6,060,905	9,007,960
Closing Stock of Materials	(1,846,508)	(1,894,515)	-	-
Other Direct Expenses	1,367,459	3,305,323	486,205	1,643,807
Staff Emoluments	12,954,384	14,224,469	11,643,453	12,894,699
Power and Water	700,117	1,062,308	600,459	913,297
Maintenance - Machinery	782,712	1,168,326	403,323	544,711
FHI 360 Distribution Cost	333,102	513,331	-	-
Depreciation	1,775,149	1,603,047	1,188,852	1,183,175
Textbooks Printing Cost	20,000	-	20,000	-
Maintenance - Factory Building	17,708	37,641	-	-
Other Stock Movement	(803,596)	(144,007)	-	-
	<u>27,973,404</u>	<u>34,776,402</u>	<u>20,403,198</u>	<u>26,187,650</u>

3. OTHER INCOME

	Group		Company	
	2020	2019	2020	2019
Third Party Printing	-	93,200	-	93,200
Dividend income	53,527	80,291	53,527	80,291
Interest income	14,152	145,092	7,192	83,159
Sundry incomes	650,753	1,658,343	650,753	1,658,343
Rent income	257,041	360,870	257,041	360,870
Exchange gain	-	5,276	-	-
Investment Income	30,637	84,155	-	-
Courier services	7,717	227,385	7,717	227,385
Online adverts	120,399	46,488	120,399	46,488
Content Marketing	171,178	335,228	171,178	335,228
Graphic Newsplus Sales	19,124	-	19,124	-
Graphic Corporate in Ghana	52,700	-	52,700	-
Revenue from Graphic @ 70	100,000	-	100,000	-
	<u>1,477,228</u>	<u>3,036,328</u>	<u>1,439,631</u>	<u>2,884,964</u>

4. SELLING AND DISTRIBUTION EXPENSES

	Group		Company	
	2020	2019	2020	2019
Deliveries and Postages	337,127	227,351	337,127	227,351
Fuel and Lubricants	1,055,476	1,114,343	1,055,476	1,114,343
Motor Vehicle Expenses	336,362	613,517	336,362	613,517
Staff Emoluments	4,118,623	4,051,668	4,118,623	4,051,668
Wrappers	104,721	173,259	104,721	173,259
Depreciation	1,048,398	969,576	1,048,398	969,576
Marketing, Research & P.R	466,078	686,447	466,078	686,447
Newsplus Expenses	195,615	-	195,615	-
Graphic Corporate in Ghana Expenses	9,240	-	9,240	-
	<u>7,671,640</u>	<u>7,836,160</u>	<u>7,671,640</u>	<u>7,836,160</u>

5. GENERAL AND ADMINISTRATIVE EXPENSES

	Group		Company	
	2020	2019	2020	2019
Wages and Salaries	7,834,789	7,982,739	6,960,778	6,931,369
Depreciation	1,224,782	1,064,781	995,912	884,916
Power and Water - Indirect	527,102	622,892	460,663	580,718
Printing and Stationery	162,669	409,980	162,669	409,680
Communication Expenses	359,448	422,680	352,338	414,046
Medicals	711,365	692,978	705,107	682,635
Consultancy	335,349	722,274	335,349	722,274
Protocol	2,145	32,619	2,145	32,619
Audit Fee	43,195	62,904	22,750	44,423
Bank Charges	159,776	182,429	124,519	182,429
Other staff costs	523,047	820,083	522,047	797,367
Business Promotion	499,761	498,012	33,417	67,384
Recruitment expense	16,008	6,590	16,008	6,590
Cleaning and Sanitation	432,002	327,642	402,702	302,182
Board Allowance/Expenses	443,503	373,872	386,973	322,390
Staff Training/Seminars	453,135	269,141	439,428	269,141
Repairs and maintenance	1,251,165	940,566	1,179,412	864,763
Travelling and transport	112,727	448,990	112,727	183,845
Donations	49,950	50,137	37,800	41,937
Foreign Travel	-	24,285	-	24,285
Rent	223,251	138,273	223,251	138,273
Insurance	361,758	306,424	314,587	280,917
Retirement/Death Benefits	2,393,225	4,080,482	2,393,225	4,080,482
Sundry expenses	736,959	294,975	650,386	201,239
Security Services	640,854	673,586	640,854	673,586
Bad Debts provision	(34,838)	20,384	(34,838)	20,384
Bad Debts Written Off	401,228	262,853	-	-
Graphic @ 70 Expenses	360,244	-	360,244	-
Exchange Loss	21,805	55,820	-	-
Fuel Cost	1,731,063	2,099,444	1,628,374	2,099,444
Input VAT	85,412	231,885	85,412	231,885
Long service award	348,231	368,431	348,231	368,431
Scholarship scheme	-	16,797	-	16,797
	22,411,110	24,504,949	19,862,469	21,876,431

6. FINANCE COST

	Group		Company	
	2020	2019	2020	2019
Interest on overdraft	965,942	969,010	960,942	911,819
Interest on PU Panel Loan	156,336	472,378	156,336	472,378
	1,122,278	1,441,388	1,117,278	1,384,197

7. TAXATION - 2020

Year of Assessment	Chargeable Income GH¢	Tax Charged GH¢	Tax Paid GH¢	Tax Outstanding GH¢
Balance at 31.12.2018				(1,626,487)
2019	2,994,692	791,324	250,000	541,324
2020	-	-	778,122	(778,122)
	<u>2,994,692</u>	<u>791,324</u>	<u>1,028,122</u>	<u>(1,863,286)</u>

Tax charged for Group:

Company	-
Subsidiary	<u>(184,836)</u>
Total per Group	<u>(184,836)</u>

8. AVAILABLE-FOR-SALE-INVESTMENT

(a) Details of listed securities

	Group		Company	
	2020	2019	2020	2019
GCB Bank Shares	<u>1,163,636</u>	<u>1,483,636</u>	<u>1,163,636</u>	<u>1,483,636</u>

(b) Fair value movement of investments

	Group		Company	
	2020	2019	2020	2019
Balance at 01/01	1,483,636	1,265,454	1,483,636	1,265,454
Fair value movement	<u>(320,000)</u>	<u>218,182</u>	<u>(320,000)</u>	<u>218,182</u>
	<u>1,163,636</u>	<u>1,483,636</u>	<u>1,163,636</u>	<u>1,483,636</u>

11. INVENTORY

	Group		Company	
	2020	2019	2020	2019
Stock of raw materials	3,009,402	2,644,848	1,162,894	750,333
Work in Progress	1,079,878	283,940	-	-
Spare Parts	82,779	116,439	58,014	71,572
Finished Goods	444,358	416,598	-	-
Stationery	32,873	11,398	32,873	11,398
Fuel and lubricants	45,894	33,241	45,894	33,241
	<u>4,695,184</u>	<u>3,506,464</u>	<u>1,299,675</u>	<u>866,544</u>

12A. CASH AND CASH EQUIVALENT

	Group		Company	
	2020	2019	2020	2019
Bank balance	522,603	1,726,343	396,651	1,572,257
Cash in hand	237,247	200,428	237,247	200,428
Short term investments	2,030,132	687,813	2,030,132	687,813
	<u>2,789,982</u>	<u>2,614,584</u>	<u>2,664,030</u>	<u>2,460,498</u>

12B. RECONCILIATION OF CASH AND BANK BALANCES TO CASH FLOW STATEMENT

	Group		Company	
	2020	2019	2020	2019
Cash and cash equivalent	<u>2,789,982</u>	<u>2,614,584</u>	<u>2,664,030</u>	<u>2,460,498</u>
	<u>2,789,982</u>	<u>2,614,584</u>	<u>2,664,030</u>	<u>2,460,498</u>

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
Trade debtors	34,857,703	34,646,064	28,218,220	29,253,742
Staff loans	17,461	43,661	17,461	43,661
Prepayments	8,562	56,922	8,562	56,922
Sundry receivables	322,686	231,631	178,114	148,224
G-PAK Limited - Transactions	86,028	-	86,028	433,870
G-PAK Limited - FHI Transactions	-	100,000	-	100,000
G-PAK Limited - Print Supplies	-	-	-	-
G-PAK Limited - Textbooks	-	204,163	-	204,163
Provision for impairment	(1,508,374)	(1,517,560)	(1,508,374)	(1,517,560)
	<u>33,784,065</u>	<u>33,764,881</u>	<u>27,000,010</u>	<u>28,723,022</u>

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
Trade and other payables	12,265,734	10,030,012	8,125,974	6,608,810
Staff accrued expenses	2,628,201	1,414,154	2,628,201	1,414,154
Deposits	56,089	53,489	56,089	53,489
Sundry payables	1,157,903	1,994,937	14,180	1,150,157
Accrued audit fees	44,423	62,904	44,423	44,423
	<u>16,152,350</u>	<u>13,555,496</u>	<u>10,868,867</u>	<u>9,271,033</u>

15. STATED CAPITAL

The Company is registered with 100 million ordinary shares of no par value of which 43 million shares have been issued as follows:

	No. of Shares (Million)	Value of Shares	
		2020 GHC	2019 GHC
Authorised Share Capital	<u>100</u>		
Issued and fully paid			
Issued for cash at 1 GHP/share	20	200,000	200,000
Issued for cash at 10 GHP/share	23	2,300,000	2,300,000
	<u>43</u>	<u>2,500,000</u>	<u>2,500,000</u>

16. STATUTORY RESERVE

The Board of Directors approved the transfer of 10% of Net Profit after taxes and before dividend into a statutory reserve fund. The creation of the reserve fund is in accordance with section 42 of the Regulations of Graphic Communications Group Limited.

17. REVALUATION RESERVE

	Group		Company	
	2020	2019	2020	2019
Balance b/f	1,986,364	1,768,182	1,986,364	1,768,182
Revaluation Surplus/(Impairment)	<u>(320,000)</u>	<u>218,182</u>	<u>(320,000)</u>	<u>218,182</u>
Balance c/f	<u>1,666,364</u>	<u>1,986,364</u>	<u>1,666,364</u>	<u>1,986,364</u>

18. CAPITAL SURPLUS

This was as a result of assets revaluation undertaken in 1995 and 2005 by William Ofori & Co. (Valuers, Estate Managers, Development and Tax Consultants). Portion of the capital surplus realised amounting to GHC1,949,847 was transferred to Income Surplus on the 31st December 2011 and GHC137,158 was transferred from 2012 to 2016. In 2014 a further GHC833,296 was written off to cater for net book value of the cluster of buildings which were pulled down to pave way for the construction of the new press building. The annual transfer of GHS 137,158 has also been transferred to Income Surplus for 2019.

19. BORROWINGS

	Group		Company	
	2020	2019	2020	2019
	GHC	GHC	GHC	GHC
GCB Loan (PU Panel)	<u>837,130</u>	<u>1,252,274</u>	<u>837,130</u>	<u>1,252,274</u>
	<u>837,130</u>	<u>1,252,274</u>	<u>837,130</u>	<u>1,252,274</u>

9A PROPERTY, PLANT AND EQUIPMENT - COMPANY

	New Press Building GH¢	Land & Buildings GH¢	Plant & Machinery GH¢	New Press Plant/Mach. GH¢	Motor Vehicles GH¢	I. T. Equipment GH¢	Other Off. Equipment GH¢	Furniture & Fittings GH¢	Totals GH¢
COST									
At 1st Jan. 2020	5,948,880	4,937,029	(0)	11,897,979	6,676,089	4,995,519	1,569,474	1,166,259	37,191,230
Additions	-	-	-	36,182	343,582	452,822	149,776	63,690	1,046,051
Disposal	-	-	-	-	(269,204)	-	-	-	(269,204)
At 31st Dec. 2020	<u>5,948,880</u>	<u>4,937,029</u>	<u>(0)</u>	<u>11,934,161</u>	<u>6,750,466</u>	<u>5,448,341</u>	<u>1,719,251</u>	<u>1,229,949</u>	<u>37,968,077</u>
DEPRECIATION									
At 1st Jan. 2020	1,331,293	2,262,267	(0)	8,943,392	4,263,536	3,269,031	1,212,694	866,634	22,148,848
Charge for the Year	170,891	182,683	-	1,188,852	1,048,398	360,504	174,780	88,606	3,214,714
Disposal	-	-	-	-	(147,055)	-	-	-	(147,055)
At 31st Dec. 2020	<u>1,502,184</u>	<u>2,444,950</u>	<u>(0)</u>	<u>10,132,244</u>	<u>5,164,879</u>	<u>3,629,535</u>	<u>1,387,475</u>	<u>955,240</u>	<u>25,216,506</u>
NET BOOK VALUE									
At 31st Dec. 2020	<u>4,446,696</u>	<u>2,492,079</u>	<u>-</u>	<u>1,801,918</u>	<u>1,585,588</u>	<u>1,818,806</u>	<u>331,776</u>	<u>274,709</u>	<u>12,751,571</u>
At 31st Dec. 2019	<u>4,617,587</u>	<u>2,674,762</u>	<u>-</u>	<u>2,954,588</u>	<u>2,412,553</u>	<u>1,726,488</u>	<u>356,780</u>	<u>299,625</u>	<u>15,042,382</u>

10 INVESTMENT PROPERTY - COMPANY

	Investment Property GH¢
COST	
At 1st Jan. 2020	554,156
Additions	-
Disposal/Transfer	-
	<u>554,156</u>
DEPRECIATION	
At 1st Jan. 2020	237,702
Charge for the Year	18,447
Disposal/Adjustment	-
At 31st Dec. 2020	<u>256,149</u>
NET BOOK VALUE	
At 31st Dec. 2020	<u>298,007</u>
At 31st Dec. 2019	<u>316,454</u>

9B PROPERTY, PLANT AND EQUIPMENT - GROUP

COST	New Press Building GH¢	Land & Buildings GH¢	Plant & Machinery GH¢	New Press Plant/Mach. GH¢	Motor Vehicles GH¢	I. T. Equipment GH¢	Other Off. Equipment GH¢	Furniture & Fittings GH¢	Totals GH¢
At 1st Jan. 2020	5,948,879	4,937,029	5,797,145	12,400,113	7,447,765	5,006,708	2,197,234	1,318,117	45,052,990
Additions	-	-	46,320	36,182	437,186	452,822	185,426	76,740	1,234,675
Disposal	-	-	-	-	(269,204)	-	-	-	(269,204)
At 31st Dec. 2020	<u>5,948,879</u>	<u>4,937,029</u>	<u>5,843,465</u>	<u>12,436,295</u>	<u>7,615,747</u>	<u>5,459,530</u>	<u>2,382,660</u>	<u>1,394,857</u>	<u>46,018,462</u>
DEPRECIATION									
At 1st Jan. 2020	1,331,293	2,262,267	2,739,351	9,152,125	4,512,947	3,271,155	1,591,065	948,507	25,808,710
Charge for the Year	170,891	182,683	527,758	1,188,852	1,244,237	360,504	246,491	112,598	4,034,014
Disposal	-	-	-	-	(147,055)	-	-	-	(147,055)
At 31st Dec. 2020	<u>1,502,184</u>	<u>2,444,950</u>	<u>3,267,109</u>	<u>10,340,976</u>	<u>5,610,129</u>	<u>3,631,659</u>	<u>1,837,556</u>	<u>1,061,105</u>	<u>29,695,669</u>
NET BOOK VALUE									
At 31st Dec. 2020	<u>4,446,695</u>	<u>2,492,079</u>	<u>2,576,356</u>	<u>2,095,318</u>	<u>2,005,618</u>	<u>1,827,871</u>	<u>545,104</u>	<u>333,752</u>	<u>16,322,793</u>
At 31st Dec 2019	<u>4,617,586</u>	<u>2,674,762</u>	<u>3,057,794</u>	<u>3,247,988</u>	<u>2,934,818</u>	<u>1,735,553</u>	<u>606,169</u>	<u>369,610</u>	<u>19,244,281</u>

GRAPHIC COMMUNICATIONS GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

Group

	Stated capital GH¢	Revaluation Reserve GH¢	Statutory Reserve GH¢	Capital Surplus GH¢	Retained Earnings GH¢	Total equity GH¢
Year ended 31 December 2020						
Balance at 1 January 2020	2,500,000	1,419,091	4,599,836	1,437,736	30,716,393	40,673,056
Profit for the year					(1,940,878)	(1,940,878)
Transfer to Statutory Reserve						
Transfer from Capital Surplus				(137,158)	137,158	
Fair value of Available-for-Sale Assets Prior Year Adjustment		(320,000)				(320,000)
Balance at 31 December 2020	2,500,000	1,099,091	4,599,836	1,300,578	27,332,328	36,831,834

Company

	Stated capital GH¢	Revaluation Reserve GH¢	Statutory Reserve GH¢	Capital Reserve GH¢	Retained Earnings GH¢	Total equity GH¢
Year ended 31 December 2020						
Balance at 1 January 2020	2,500,000	1,419,091	4,247,262	1,437,736	27,453,905	37,057,994
Profit for the year					(2,064,205)	(2,064,205)
Transfer to Statutory Reserve						
Transfer from Capital Surplus				(137,158)	137,158	
Fair value of Available-for-Sale Assets Prior Year Adjustment		(320,000)				(320,000)
Balance at 31 December 2020	2,500,000	1,099,091	4,247,262	1,300,578	23,779,779	32,926,710

GRAPHIC COMMUNICATIONS GROUP LTD.

COMPUTATION OF TAX LIABILITY FOR THE YEAR 2020

Net Profit Per Financial Statements		(2,064,205)
Less :		
Unrealised Foreign Exchange Gain	-	
Dividend Received	53,527	
		<u>53,527</u>
		(2,117,733)
Add Back:		
Depreciation	3,233,161	
Bad Debt Provision	(34,838)	
Scholarships	-	
Donations	<u>3,000</u>	
		<u>3,201,323</u>
Adjusted Profit		1,083,590
Less Capital Allowances for 2020		<u>1,745,409</u>
CHARGEABLE INCOME		(661,819)

Tax thereon at 25%		<u>-</u>
Profit on Disposal of Assets	-	
Tax thereon at 10%	-	<u>-</u>
		<u>-</u>

ALLOWANCE FOR THE YEAR 2020

	ICT	MV & P/M	Equip, F/F	Buildings
DEPRECIABLE ASSETS	<u>CLASS 1</u>	<u>CLASS 2</u>	<u>CLASS 4</u>	<u>CLASS 5</u>
Balance b/f	614,788.04	1,924,808.57	1,212,084.44	4,226,446.36
Disposals	-	(269,204)	-	-
Additions	<u>452,822</u>	<u>379,764</u>	<u>213,466</u>	<u>-</u>
	<u>1,067,610</u>	<u>2,035,368</u>	<u>1,425,551</u>	<u>4,226,446</u>
Capital Allowances	427,043.82	610,610.43	285,110.17	422,644.64
Total Capital Allowance				1,745,409

TAXATION - 2020

Year of Assessment

	<u>Chargeable</u> <u>Income</u> GH¢	<u>Tax</u> <u>Charged</u> GH¢	<u>Tax</u> <u>Paid</u> GH¢	<u>Tax</u> <u>Outstanding</u> GH¢
Balance at 31.12.2018				(1,626,487)
2019	2,994,691	791,324	250,000	541,324
2020	-	-	778,122	(778,122)
	<u>2,994,691</u>	<u>791,324</u>	<u>1,028,122</u>	<u>(1,863,286)</u>